



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 28, 2003

H.R. 192

An act to amend the Microenterprise for Self-Reliance Act of 2000 and the Foreign Assistance Act of 1961 to increase assistance for the poorest people in developing countries under microenterprise assistance programs under those acts, and for other purposes

As reported by the Senate Committee on Foreign Relations on May 21, 2003

SUMMARY

H.R. 192 would authorize the appropriation of \$175 million in 2003 and \$200 million in 2004 for grants and credits to microenterprise development programs, or programs that would provide access to financial services to poor persons in developing countries. The act would place emphasis on assistance to persons living within the bottom 50 percent below a country's poverty line or living on less than the equivalent of \$1 per day. CBO estimates that implementing H.R. 192 would cost \$182 million over the 2004-2008 period, assuming the appropriation of the authorized amount for 2004. (Funding estimated to total \$160 million has already been appropriated for 2003.) The act would not affect direct spending or receipts.

H.R. 192 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 192 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs). The estimate assumes that H.R. 192 will be enacted late in 2003, that the amount authorized for 2004 will be appropriated, and that outlays will follow historical spending patterns.

	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Microenterprise Programs						
Estimated Budget Authority ^a	160	0	0	0	0	0
Estimated Outlays	140	131	69	35	18	10
Proposed Changes						
Authorization Level	0	200	0	0	0	0
Estimated Outlays	0	26	82	43	22	9
Spending Under H.R. 192 for Microenterprise Programs						
Authorization Level ^a	160	200	0	0	0	0
Estimated Outlays	140	157	151	78	40	19

a. The 2003 level is the amount appropriated for that year.

Based on information from the U.S. Agency for International Development, CBO estimates that funding for microenterprise assistance provided through five different appropriation accounts will total \$160 million in 2003. For this estimate, CBO assumes that implementing H.R. 192 would not affect funding levels for microenterprise activities in fiscal year 2003.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 192 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On March 11, 2003, CBO transmitted an estimate for H.R. 192 as ordered reported by the House Committee on International Relations on March 5, 2003. The two versions of the legislation are identical. The estimate for H.R. 192, as reported by the Senate Committee on Foreign Relations, has been revised to incorporate more recent information about current-year activity for microenterprise programs. Specifically, we now estimate that \$160 million was appropriated for such programs this year.

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